TOK COMMUNITY UMBRELLA CORPORATION
TCUC Policy on Conduct

The following policy has been adopted by the TCUC Board of Directors on July 18, 1999 for conduct of Board members, retyped and adopted at the meeting of March 10, 2005, and revised at the meeting of October 13, 2016..

1. TCUC Board members will exercise a Duty Of Loyalty to TCUC. The duty of loyalty is almost always the duty to avoid taking personal benefit or the duty to avoid self dealing. The duty of loyalty requires that a board member not exploit corporate opportunities or misuse inside information. A corporate board member is under a fiduciary obligation not to divert a corporation business opportunity for his/her own personal gain. This so-call doctrine of corporate opportunity is a subspecies of the duty of a fiduciary to act with undivided loyalty to the corporation. The doctrine charges any interest acquired by a board member with a trust for benefit of the corporation.

2. TCUC board members shall prohibit transactions benefiting private foundations and individuals. TCUC is organized or operated to serve a public rather than a private interest. TCUC is not organized or operated for the benefit of private interest such as designated individuals or persons controlled, directly or indirectly, by such private interest.

3. TCUC Board members have the Duty To Avoid Conflict Of Interest. A board member shall not vote on a matter before the Board in which he or she has a substantial financial interest. A board member shall not vote on a matter when the outcome benefits himself or herself or another group which he/she represents. The board member may be counted to constitute a quorum. However, if a transaction is fair to the corporation at the time it is authorized, approved, or ratified, the fact that a board member of the corporation directly or indirectly has a financial or personal interest in the transaction, substantial or otherwise, is not grounds for invalidating the transaction.

    a. A board member shall declare a substantial financial or conflict of interest the member has in an official action and ask to be excused from a vote on the matter.

    b. The presiding officer shall rule on a request by a member of the board to be excused from a vote.

    c. The decision of the presiding officer on a request by a member of the board to be excused from a vote may be overridden by the majority of the board.

    d. An employee or official other than a board member may not participate in an official action in which the employee or official has a substantial financial interest.

    Board members need to be aware that state law does not allow the board to waive in advance the corporation's claim for breach of duty to loyalty by a board member which would include voting in a conflict situation.

4. TCUC Board members will exercise Duty Of Care to TCUC. The duty of care requires the board members exercise reasonable skills in the exercise of their responsibilities. A director should exercise the same care and skill that an ordinary prudent person would exercise under similar circumstances in his or her personal affairs. Directors will not be excused because of their lack of experience or ability, but they are not responsible for mere errors of judgment or want of care, short of clear and gross negligence.

5. TCUC Board members will exercise Duty of Accounting Awareness/Tax Law Compliance. The duty encompasses the responsibility for seeing that accounting and financial management obligations are satisfied:

    a. The President's duties—has the primary duty to see that all record keeping duties are complied with. Staff or other board members will perform some of these functions, the directors others. The President will review most, if not all, of the incoming mail directly as it comes from the mailbox. The President will maintain record keeping and internal controls. The president will insure that these procedures are complied with.

    b. Board members should be aware of what the President and staff should be doing in generating and maintaining records and how the President and staff/board members are complying with this duty.

    c. The board members must make certain the organization maintains accurate books and records and has procedures for recording and reporting financial data. Thus each board member should acquire a basic level of understanding of financial reports.

6. TCUC board members have a duty to attend meetings and review minutes and other documents. Should a board member object to a decision of a majority of the board, the director should note the objection in writing. A board member shall be deemed to have forfeited his/her office and shall be disqualified from holding the same upon missing, without Board approval, two consecutive regular meetings of the Board or upon his/her having been convicted of a felony and not having his/her civil rights restored.

7. TCUC board members have a Duty to Dissent. TCUC board members have a duty to avoid having committed an action which lays the board member open for a knowing or willful *violation of corporation law* by attending a meeting in which an illegal action was approved by the board. Those persons who do not take these steps are liable to the corporation for a willful violation of law and can be sued by the corporation even if the corporation has adopted the optional immunity from

corporation claims. The corporation still has the right to sue you for failing to have dissented and voted against the action as indicated.

a. A board member should make clear during discussion that they dissent from the corporation action and that they oppose the corporate action and they should direct the secretary to record their dissent in the minutes. During the vote, they should vote against the corporate action. They should then make sure they attend the next board meeting and when the minutes are read they should make sure the minutes properly reflect their dissent and negative vote. Only the approved minutes of the board meeting will be official documentation of the dissent.

8. All board members present at a meeting have an obligation to obey the legitimate orders of the presiding officer.
9. TCUC board members should be fair when making decisions, respecting equally the rights of all interested parties. This is commonly called "due process."
    a. Giving adequate notice of meetings.
    b. Making available to all interested parties the information necessary to better understand the issues.
    c. Giving members and the public an opportunity to be heard at public meetings.
    d. Making decisions based on the facts presented.
10. TCUC board members have a financial responsibility to:
    a. Stay solvent.
    b. Be efficient
    c. Spend in accordance with the corporation budget.
    d. Satisfy legal reporting requirements
    e. Document everything in all financial files.
11. A TCUC board member can be removed as board member for the following reasons:
    a. Failure of Loyalty to Tok Community Umbrella Corporation
    b. Continual, gross, or willful neglect of the duties of office.
    c. Failure or refusal to disclose necessary information on matters of organization business.
    d. Unauthorized expenditures, signing of checks, or misuse of organization funds.
    e. Unwarranted attacks on the President or unwarranted refusal to cooperate with the President. Attacks on other board members or membership, including any form of disorderly conduct, harassment, or assault.

       Harassment: AS 11.61.120. A person commits the crime of harassment if, with intent to harass or annoy another person, that person: (1) insults, taunts, or challenges another person in a manner likely to provoke an immediate violent response.
       Disorderly Conduct: AS 11.61.110 – the person recklessly creates a hazardous condition for others by an act which has no legal justification or excuse.
       Assault in the Fourth Degree: AS 11.41.230 – A person commits the crime of assault if by words or other conduct that person recklessly places another in fear of imminent injury.
    f. Misrepresentation of the organization and its officers to outside persons.
    g. Conviction of a felony or crime of dishonesty.
    h. Failure or refusal to work within the framework of the organization.
    i. Antagonizes, threatens, or attempts to coerce another board member.
    j. Board member who is impaired due to the influence of alcohol or drugs at a board meeting.